(b) No ceiling has been envisaged for sanction of credit limit under the scheme. However, the banks may fix the credit limit to farmers on the basis of their land holding, cropping pattern and scale of finance recommended by the District Level Technical Committee. The Co-operative Banks also take into account the individual maximum borrowing power fixed by the Registrar of the Co-operative Societies while fixing the credit limit under the scheme which may vary from State to State. As the interest rate regime has been deregulated by the Reserve Bank of India, banks have been provided freedom to fix the rate of interest on credit limit sanctioned. Hence, no uniform rate of interest is applicable to KCC in respect of Co-operative Banks and regional Rural Banks. However, Commercial Banks cannot charge interest rate exceeding their Benchmark Prime Lending Rate (BPLR) for the loans up to Rs. 2.00 lakh.

(c) and (d) The scheme is applicable all over the country.

VAT monitoring committees in States

2246. SHRIMATI VANGA GEETHA: Will the Minister of FINANCE be pleased to state:

(a) whether Government would set up VAT monitoring committees in every State and Union Territory to ensure that genuine invoices are raised to completely stop evasion of payment of VAT in any form; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) VAT is a State level tax reform measure. Therefore, any action on setting up VAT monitoring committees in every State and Union Territory to ensure that genuine invoices are raised to completely stop evasion of payment of VAT in any form is to be taken by the concerned State Government/UT Administration. The Empowered Committee of State Finance Ministers has decided that States should set up a "VAT Cell", *inter-alia*, to track revenue performance.

Acquisition of shareholding in foreign banks

2247. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether public sector banks are permitted to acquire wholly or acquire majority shareholding in foreign banks overseas; and